



STATE BOARD OF EQUALIZATION

November 9, 1951

J--- D. B--- & Co.
Certified Public Accountants
XXX --- Avenue
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Gentlemen:

Pursuant to your recent request, we are enclosing herewith a copy of the California Sales and Use Tax Law and a copy of the Sales and Use Tax Ruling 19, Motion Pictures.

You will observe from the ruling that producers of motion picture are regarded as the consumers of all film and other tangible personal property used in production. In case of a picture produced outside the State and furnished by the producer to exhibitors in this State, the producer as the consumer of the film and other components of the finished prints would be liable for use tax measured by the cost of the film and other components purchased outside this State. In the event the prints had been substantially used by being exhibited outside this State prior to being exhibited in this State, the tax would not be applicable because the film and other ingredients would not be regarded as having been purchased for use in this State.

Your letter does not indicate the facts in sufficient detail for us to do more than provide you with the aforementioned general rules. If you wish a specific ruling in a particular case, we shall be glad to provide you with such a ruling upon receipt of a complete statement of the facts and circumstances.

Very truly yours,

E. H. Stetson
Tax Counsel

EHS:ja

cc: F--- L. L---